

DURHAM CITY COUNCIL SPECIAL MEETING
Thursday, March 8, 2018 @ 10:00 a.m.
2nd Floor Committee Room – 101 City Hall Plaza

Pursuant to the proper notification, the Durham City Council held a special meeting on the above date and time in the City Council Committee Room located at 101 City Hall Plaza with the following members present: Mayor Steve Schewel, Mayor Pro Tempore Jillian Johnson and Council Members Vernetta Alston, Javiera Caballero, DeDreana Freeman, Mark-Anthony Middleton and Charlie Reece. Absent: None.

Also present: City Manager Tom Bonfield, City Attorney Patrick Baker and City Clerk Diana Schreiber.

Mayor Schewel called the meeting to order and stated the purpose of the meeting was to receive a report on Affordable Housing and Homeless Support Services from the Department of Community Development.

SUBJECT: AFFORDABLE HOUSING GOALS

Reginald Johnson, Director of the Department of Community Development, introduced his Assistant Directors Terri Holmes and Karen Lado and made the PowerPoint presentation on Affordable Housing.

The presentation began with the Executive Summary with Anticipated Results from FY2018 and 2019, Definitions and Process, Housing Data from the Housing Profile, Five-Year Goals with focus on FY2018 and 2019, Resources and Results and finished with questions and discussion.

Introduced housing data at various AMI household income levels; estimated 30% of gross household income was being allocated for rent; HUD figures highlighted 4 persons at 50% AMI that determined the household income was \$36,650 annually; and deferred to Assistant Director Lado to explain cost burden.

Assistant Director Lado shared basic housing data on renters in Durham by displaying slides sourced from the Housing Profile and noted the trends on housing costs and cost burden had not changed; and displayed information on low, very low and extremely low income households versus those households' facing degrees of housing cost burden and of the individuals with the extremely low incomes, 7,400 faced severe housing cost burdens.

Q: Did the information break out by race, ethnicity and age?

A: Yes, the information could break out by race and ethnicity. Stated that aggregate trends displaying housing cost burdens were higher in African American households below 30% AMI, Latino had higher percentage of households between 31-50%. Additional information could be gathered from the data set on age. The data was

sourced from the US Census in the American Community Survey consisting of a five year running average.

Assistant Director Lado explained a chart that presented housing supply versus housing demand as related to renters. For every 100 households who earn less than 30% AMI, there were 38 units that were affordable to the persons but said nothing about quality; the houses were affordable due to dilapidation; and the majority of the 38 housing units qualified as public housing units.

For the people most severely cost burdened, they were living in the Housing Authority units or living in sub-standard homes; housing vouchers were not reflected. The vouchers helped persons under 50% AMI. It was estimated that over 90-95% of income restricted affordable housing units that served households under 30% were owned by the Housing Authority; this explained the prominence of the Housing Authority.

To summarize, there was a supply of older market-rate, rental housing in the 60-70-80% AMI range. If the city was able to provide more affordable housing in the 60-80% range, it was asked if it could move folks out of the lower bracket.

Assistant Director Lado spoke to 'filtering' (providing housing in the higher income level filtering down to the lower income levels) in the Bay area, building more housing in general in a growing market, helped to depress the increase in housing costs; building more housing of intentionally affordable levels accentuated the effect by slowing the increase in prices even more – this was true at market level but not the neighborhood level. Durham is a growing market, housing needed to be built to reflect its growth.

Mayor Schewel explained there had been pressure from neighborhoods about not wanting to add housing in neighborhoods; referenced townhome projects in single family neighborhoods that ignited pushback by homeowners who wanted to stop dense developments in their vicinities. He urged Council's support of increased density.

Council Member Freeman urged higher densities across the city in not only the 30-50% but also in the 70-90% ranges.

Assistant Director Lado spoke to historical zoning that once allowed rooming houses in neighborhoods; and referenced Zillow and US Census data for the valuation of housing data from 2011-2018 and locations.

Director Johnson initiated discussion of the Five-Year Housing Goals as were adopted in 2016; refreshed Council on the Housing Goals and established groundwork for evaluation; discussed the role of land use planning in Durham that affected affordable housing, economic opportunity of jobs and wages; elaborated on the three major goals consisting of: (1) preserve/expand the supply of affordable housing rental units and provide rental assistance to households under 50% of AMI; (2) maintain affordability and protect very low income households in neighborhoods experiencing significant cost

increases; (3) engage larger Durham community to make affordable housing a city-wide priority.

Mayor Schewel indicated that the goals could be revised, if it was Council's desire to revise them; explained that he heard from middle class people who wanted the city to help them buy affordable homes in desirable neighborhoods; the goals did not speak to this problem; however, there were finite resources.

Council Member Reece reiterated his support of the goals but emphasized that they did not represent the total efforts of the city; and to assume that if something did not fall clearly within the three goals, then the effort would not be worthy of Council's support – this was *not* the case.

Council Member Freeman added that a way to address sub-standard housing, many of units were held by folks in the community were vested and it would behoove the city to figure out how to support those individuals with special mention of group housing changes in Planning and the Durham Housing Authority.

Assistant Director Lado spoke to the original presentation of the plan that was organized differently; mentioned that there were now a set of strategies and had been streamlined into the current presentation.

Council discussed their interpretation and defined the strategies behind Goals 1 & 2 to address the meaning of affordable housing and factors of sub-standard housing, rehabilitation and funds pertaining to repair and property tax relief; acknowledging Goals 1 & 2 explicitly addressed low income housing and Goal 3, affordable housing that could be interpreted as middle class housing, and that Goal 3 required additional public explanation; spoke to Jackson Street voucher units;

Director Johnson explored the multiple strategies behind the three goals.

Council Member Alston asked for clarification on the vision and meaning of Community Advisory Group (CAG) strategy.

Director Johnson explained that there was not yet a CAG focused upon the strategy; the purpose was to engage persons not already involved in the production of affordable housing.

Council Member Freeman requested that staff provide information related to land use and economic development spelled out in the Goal.

City Manager Bonfield clarified Council Member Freeman's point that she sought to incorporate this collaboration discussion in the larger community and within our organization between the shared prosperity discussion which was new compared to where the city was upon the original adoption of the Goals; and there was not nearly much focus on the land use piece, and this would be a good update to the commentary.

Council Member Freeman concurred.

Council Member Middleton referenced Goal #1, A through E, preserve and expand rental housing; suggested specificity in mentioning percentages to the strategies, and spoke to engaging market rate developers through an enhanced density bonus without mentioning a percentage; and when Council did not see 50% prescribed in the strategies, that it was problematic.

Director Johnson noted that there were additional details in the background information; and stated that all work staff did maxed out at 80% AMI in the Department of Community Development; and that workforce housing often went above 80%; explained the income thresholds of affordable housing by HUD standards and benchmarks.

Council Member Freeman added that expanding Goal 3 to say that land use and economic development were also partnering in the Goal because it was something that did not fall strictly on Community Development but included economic development.

Director Johnson concurred.

Council Member Caballero, Goal 1, Strategy A, asked which populations were limited in using the Housing Authority for assistance; and if justice involved populations were limited.

Director Johnson deferred to Anthony Scott, CEO Durham Housing Authority, to respond.

Mr. Scott spoke to the restrictions to access housing were assigned by HUD; HUD restricted public housing eligibility from registered sex offenders and being guilty of the manufacturer/distribution of meth amphetamines; the Housing Authority had the right to establish its own list of restrictions; noted that the policies were currently under review; and asked that he provide the answer to the access question related to non-citizens and non-Green Card holders at a later date.

Council Member Caballero requested the list of restrictions from Mr. Scott by email.

Director Johnson continued his presentation with a focus for FY2018 – 2019; spoke to the investment projects along with the Durham Housing Authority's ownership of 50 acres in Downtown; issuance of multi-family affordable units RFPs; strengthen homeless system and housing bonuses; detailed the results: Phase Downtown Development Strategies with cost estimates by Dec. 2018, have funding in place for Phase I by August 2019 and completion by 2021, resulting in 356 rentals for extremely low income households by June 2019.

Mayor Schewel referenced the Phase Downtown Development Strategies, at DHA properties in Downtown, spoke to cost estimated in December 2018 was a milestone which would determine the amount of required funding; emphasized the need for the

9% low income housing tax credits; in some redevelopments, it might take more than 9% tax credits; it was necessary to sequence the 9% tax credits with the assistance of Community Development and the Housing Authority; the city would need more money in 2019 and spoke to the possibility of requesting a bond issuance in order to leverage the developments. Important Milestones were approaching: Strategy with cost estimates in December 2018 and after that, the funding in place for the city to develop the funding.

Council Member Freeman asked if there were cost estimates on how much would be needed to leverage the funds for the developments.

Mayor Schewel stated that the city would have to get the 9% tax credit in order to redevelop and build new.

Director Johnson shared that determining costs was an elaborate process involving policy, programming, engineering, architecture, relocation before coming to Council with the estimate.

It was acknowledged that Andre Pettigrew of EOEa was involved in the Downtown Development strategies.

Mayor Schewel spoke to the order of magnitude; and asked if there was a total cost for the Jackson Street Project.

Assistant Director Lado responded that the total amount was approximately \$13-14 million producing 80 units on 2 acres.

Mayor Schewel spoke to the heavy lift of funding larger developments such as the 19 acre Fayette Place, Forest Hills Heights of 16 acres, etc.; and explained that mixed use, mixed income and mixed financed projects were very complex in nature and financing.

Director Johnson spoke to the next slide under Goal 1; completed developments along with the city's investment in the upcoming fiscal year in new development; and the joint strategy between Goals 1 & 2, to support land use strategies that addressed affordable housing goals with density bonus, future compact districts and removing regulatory obstacles for wider range of housing alternatives.

Mayor Schewel requested Planning staff to explain the density bonuses and accessory dwelling units; and how was staff moving ahead with granting residents the ability to move ahead with building accessory type units.

Pat Young, City-County Planning Director, explained the zoning tool was a significant contributor to the problem being addressed today and that diversity of housing choices were limited to single family households at a high cost; staff was conducting round tables with smaller scale developers to talk through the types of rules that obstructed

developers' ability to design affordable houses like micro-units and small houses in high demand communities.

Mayor Schewel asked if Planning anticipated in buy-right ability to allow property owners to provide missing middle housing on what was formerly a single family parcel.

Director Young noted that was the goal that staff was trying to reach with appropriate density in neighborhoods of high demand; and acknowledged that there was pushback by single family homeowners, stormwater impact, street standards and other regulations and rules that would need discussion and amending.

Council Member Freeman asked if Workforce Development was involved in the conversations.

Director Young explained that EOE and Community Development were involved; spoke to pro-forma project with Transportation and community outreach; stated that it was almost impossible for the market to deliver 80% AMI and below without philanthropic financial support; indicated that rent control and prohibitory zoning were illegal in NC; admitted the vast majority of housing in the 60-80% AMI was older housing that was 15-30 years old and in need of renovation and that staff was working on methods to retain older homes in an affordable market.

Director Johnson added that fees being charged to be more affordable housing friendly; and elaborated on Goal #2, strategies and activities on rehabilitation programs and repair engagement,

Council Member Reece inquired about how was rehab programming accomplished.

Director Johnson stated staff managed the program and that contractors performed the work; and that future programming would be conducted as turn-key with one provider to perform all aspects of the work.

Council Member Alston asked who would be able to access the acquisition fund.

Director Johnson deferred to Assistant Director Lado.

Assistant Director Lado explained that developers would access the fund and its funding structure.

Director Johnson continued his presentation on piloting new approaches to neighborhood stabilization, referenced the NIS initiative for neighborhoods to go to improve preservation and detailed grant programs for various target groups.

Council Member Caballero inquired about sweat equity programs focused on home ownership and if that type of program was available.

Director Johnson would take this type program into consideration.

Director Johnson spoke to Goal #3 and the partnerships with City-County Planning, NIS and GoTriangle and Duke University; indicated that NC Central was not involved in this particular initiative; specified the number of rental units preserved and rehabilitated in the FY18 implementation year and provided actual and estimated figures; detailed project summaries with the City's efforts and those of the Durham Housing Authority;

Mayor Pro Tempore Johnson asked about the amount of funds going into minor repairs and rehabs and where were the figures sourced.

Director Johnson responded that the figure for minor repairs was roughly \$300,000 and had been adopted in the budget categories; however, the funds for FY18-19 were projected but not yet adopted; explained the figures requested from the Durham Housing Authority; addressed the challenges involved in acquiring tax credits (LIHTC Low Income Housing Tax Credits), needs for additional subsidy, not many tools out there to fund affordable housing and the city would be making a certain amount of money available for organizations in Durham to submit their projects for approval.

Mayor Schewel encouraged the use of reliable partners with sufficient infrastructure to get the job accomplished meaning developers with affordable housing capacity and added the city needed to build support for the most capable affordable housing developers.

Council Member Freeman asked if there were specific criteria laid out to define a most capable developer; and encouraged that developers of color in Charlotte be made aware of the development opportunities in Durham.

Director Johnson stated that when applications were opened, he could determine the applicants prior and those that did apply should not be so reliant on the city's coffers; and continued to elaborate on loan originating and underwriting along with prioritization in investments in affordable housing.

Mayor Schewel explained the Housing Trust Fund primarily consisted of monies loaned by private entities; clarified that the City would need to provide risk capital as 10-20% of the fund to get the private lenders to put monies at no to low interest into the City's Housing Trust fund so that the acquisitions could be made by the City. This money would become the risk capital of the Housing Trust Fund. Director Johnson continued to explain subsidies and investment resources.

Director Johnson asked for Council's direction.

City Manager Bonfield responded that the goals were not meant to be revised as the special meeting but rather the presentation was being made as a lead up to the budget process and decision making about affordable housing.

Mayor Schewel encouraged his colleagues to email staff about any changes they desired.

Council Member Reece appreciated the comprehensive presentation that featured how to set priorities for the coming fiscal year; asked about the types of multi-family projects and preservation of rental units in the pipeline and asked for clarity on the budget line items on Slides 36 and 39 related to project summaries and projected expenditures in support of multi-family preservation and production.

Director Johnson responded that there was a mechanism that involved the setting aside of a certain amount of funds for multi-family rental; staff conducted an application process that involved soliciting projects and evaluating projects with the Citizen Advisory Committee that utilized the Dedicated Housing Funds; and added that staff would bring forward the results of the cycle to Council before moving forward.

Assistant Director Lado reconciled the numbers on Slide 39 to include Jackson Street at \$3.8 million, the numbers were being sliced differently between the two slides; in terms of multi-family production and preservation, this was the city's greatest challenge; associated with new production, stated that absent a 9% tax credit, it would be very difficult to make the numbers work. She continued explaining that to attempt to devise a new model involving a 4% percent new construction model that would involve being suburban but would not serve the target population that the city intended serving; explained staff was attempting to determine how to build a preservation pipeline of multi-family existing income restricted affordable housing and naturally occurring market rate multi-family; defined preservation as providing funds for up fitting existing rental units; verified that large preservation projects (150+ units) could go in for 4% credits, smaller projects of 30-40 units would need to look toward the city for funding; and spoke to the acquisition fund that encompassed strategy of existing market rate affordable buildings and figure out how to keep them affordable, by purchasing the building and marrying that with a subsidy to do the rehab - this coming year would determine if this is a viable strategy. In addition, staff wanted to explore if there were owners who did not want to sell but asked if there was a strategy to keep the units affordable for a period of time in exchange for a subsidy.

Mayor Schewel referenced Mutual Heights that received a subsidy to keep its units affordable.

Council Member Reece asked for clarity about the line item for rental units created or preserved that showed up on Slide 35 consisting of 450 units in the bucket and that would come out of the pool of \$2.5 million in the next fiscal year; and attributed the emphasis on rehabbing existing income restricted or naturally existing affordable housing along with opportunistic buying with resources from the Housing Trust Fund, these were two issues championed by Council Member Freeman.

Assistant Director Lado finalized the acquisition fund type model; first, the city could not acquire more than what the city had subsidy for, and secondly, the city cannot acquire if

the subsidy was not available for that specific type of project; therefore, the city's strategy was going to have to be closely aligned with the acquisition fund strategy because the city could not buy things that it had no 'take out' for.

Council requested clarification of the term 'take out' in terms of the strategy. Assistant Director Lado explained that when the city acquired a building for a specific price, and once purchased, each unit required a certain amount of funds for renovation which increased the overall price; in order to maintain an affordable mortgage, it would be required to carry the mortgage along with the subsidy. Combining the subsidy with the mortgage represented the 'take out', in other words, how are you going to take out the acquisition loan with permanent financing.

Mayor Schewel responded that DCLT East Durham Portfolio involved the transaction between Self Help and DCLT; and that DCLT would be asking the city for the 'take out' to do the renovation.

Council Member Freeman asked if the all-in cost was \$5.3 million minus \$3.8 million for Jackson Street and was \$1.5 million enough remaining for all preservation activities.

Assistant Director Lado stated that considering all the preservation needs of the city in one year, "No, it was not." However, it was more than a pipeline that existed currently and stated it was more cost efficient to preserve a multi-family building than it was to preserve scattered site rental projects as affordable and to keep them well maintained.

Council Member Freeman acknowledged that in the next year, there would be a variety of property owners who were willing to sell and how could the city address acquiring those properties and urged the city to be ready, because it was going to happen.

Assistant Director Lado continued that staff sought to explore the multi-family preservation in the realm of limited dollars because it was more lucrative than scattered site preservation; the challenge in the market was that there were scattered site rental units coming up for sale because now they needed significant capital investment and flipping seemed to be a viable alternative; and explained that Durham was a changing city with populations moving into neighborhoods with viable housing stock ripe for renovation in the proximity to Downtown.

Council Member Middleton spoke to the Jackson Street project in Downtown and asked when projects were no longer considered in Downtown.

Director Johnson made a distinction between the people who had lived in Durham for a long time and those persons who had recently moved into Downtown; residents of Southside never considered themselves residents of Downtown but the new residents considered themselves in Downtown; to summarize, the proximity to Downtown was relevant and confirmed Fayette Place was considered Downtown.

Council paused for a five-minute break at 12:01 p.m. and resumed deliberations at 12:06 p.m.

SUBJECT: HOMELESSNESS HOUSING SYSTEM

Reginald Johnson, Director of the Department of Community Development, summarized the presentation on the Homeless Housing System that would be shorter but more intense compared to the previous presentation. He said the homeless presentation was serious to the Department and to the community at large and that staff wanted to have a system for those seeking shelter; and discussed the background, system assessment, recommendations and the city's role in the challenge and then staff would field questions.

Director Johnson began made the PowerPoint presentation that summarized the Goals as were adopted in June 2016; explained the magnitude of the homelessness challenge in Durham; 71% of homeless were single and 29% were families; the Durham Rescue Mission were not included in the statistics; explained the progression of 'Bob' who became homeless and his struggle to regain housing; once Bob found housing, he was considered exited to stable permanent housing. Further discussion would take place on coordinated entry (case management) and diversion (help to avoid the shelter). Department of Social Services handled coordinated entry for families; however, diversion strategies needed to be instituted for singles.

City Manager Bonfield requested an explanation of the current system involving the Homeless Services system responsibilities, Homeless Services Advisory Committee, and the Continuum of Care.

Director Johnson explained about the approximately fifty entities that worked to eradicate homelessness as identified by HUD and was known as the Continuum of Care with a Board of Directors known as the Homeless Services Advisory Committee (HSAC); HSAC was jointly created between the city and county of Durham and included institutional players recognized by HUD; the Community Development Department was the lead agency as the administrators for the Continuum with two roles; the roles being a partner among the fifty and the administrator of the Board who leads the fifty.

Mayor Pro Tempore Johnson asked about Bob's progression and asked when was diversion happening.

Assistant Director Lado explained that Bob would be diverted prior to being considered homeless; the city operated under the HUD definition of homelessness; if a person was able to pay for accommodations, then the person was not considered homeless; diversion was intended to keep a person in housing or to find housing immediately and to prevent a person from being homeless; and there was a need to build on the County's diversion efforts for families, involving mediation, case management and rental/utility assistance.

Director Johnson detailed the goals of the homeless housing system of various moving parts with the overall goal to build a system that diverts people from becoming homeless, quickly engage to provide suitable intervention for every household experiencing homelessness, having short lengths of stay in temporary housing and having high rates of housing exits and using data to achieve improvements; discussed the building blocks of coordinated entry and the HMIS, Homeless Management Information System; detailed the process used to assess the area homeless system with HUD planning grant funds by the CoC plus the city funds received for affordable housing study; Focus Strategies (California) was hired to analyze the CoC of the local homeless system with identification of strategies for improvements.

Results of the Focus Strategies' assessment as successes: increased coordination among agencies for a housing first focus, growing focus on project and system effectiveness with county and city entities, single point of entry for families at DSS, level of landlord engagement efforts and reductions in chronic veteran homelessness (recognized nationally) and community generosity.

Results of the assessment as challenges: lack of overall strategy for system capacity of strategic planning, lack of diversion and problem solving efforts to avoid entry into the shelter, lack of single adult coordinated entry system, program barriers to entry such as drug and criminal histories, limited supply of permanent supportive housing and rapid rehousing opportunities, and concern about CoC and provider capacity.

Recommendations: fully implement coordinated entry and lower program barriers to ensure literal homeless and higher needs households could be prioritized; provide shelter diversion and problem solving throughout system, invest in high performing rapid rehousing, connect homeless system and affordable housing priorities by targeting new and existing affordable housing slots to people experiencing homelessness, invest in landlord recruitment and housing location services and continue efforts to continue HMIS and improve data quality.

Governance' Recommendations: create policy and planning function within existing structure, empower committee to design and execute system plan, expand and re-organize existing staffing to support planning efforts.

Director Johnson displayed statistics of various categories of persons relevant to homelessness (emergency shelter, transitional housing, unsheltered) and models devised by Focus Strategies as projected performance targets based on current and revised systems; and explained figures were based on 2016 calendar year HMIS data and projections were listed for 2017 and 2018.

Lloyd Schmeidler, Project Manager II with Community Development Department, clarified the number of beds available and which entities were not included in the emergency shelter statistics.

Director Johnson addressed achieving performance targets: high utilization of emergency shelter, transitional housing and rapid rehousing programs and reduced lengths of stays.

Mayor Schewel emphasized the reducing the length of stays as of primary importance to the community; and asked staff to tell Council what was needed in funding and support to achieve the goals.

Director Johnson continued that the City of Durham should remain as the CoC administrator and member of the Continuum; staff must look at the system not individual players and key points were to fund coordinated entry with diversion in Durham, provide assistance in housing navigation work with landlords for housing opportunities for places for people to move to, lowering barriers to entry to housing, undergird the need for data in the HMIS system. He said that the statewide system did not address Durham's interests and favored a regional system with Orange County; emphasized that the system improvements involved a step process and once in place, then a conversation could be had to add rapid rehousing units to ensure the appropriate outcomes based on the HMIS data.

Council Member Reece inquired about Slide 16 that identified the projected number of 2,248 homeless persons moving through the city's homeless system; and, according to the Focus Strategies' model, there would be a reduction of homeless in 30%.

Assistant Director Lado clarified between unduplicated households and flows; there were 1,200 persons in emergency shelters in 2017; the same person could cycle through a shelter numerous times and it was a goal to eliminate unsheltered homelessness.

Mayor Schewel favored rapid rehousing and permanent housing aspect and felt the slide was unrealistic being that the plan did not include additional permanent supportive housing.

Assistant Director Lado reiterated the figures were sourced from modelling; if staff could build diversion on the back end, the challenge was that the city had to build parts of the system.

Council Member Reece spoke to staff cannibalizing money allocated to emergency shelter services and putting resources into the new strategy; stated that it seemed the decision had been made to do this by eliminating support for emergency shelter services; requested help in understanding what was happening with funding for emergency shelter services in the current fiscal year and in the upcoming fiscal year and emphasized he did not want to cut funds to emergency shelter services.

Director Johnson responded that for the current year, funding was still in place for emergency shelter services; conceded that the shift in resources may have been premature; made the change that ESG funds should go to rapid rehousing due to it

being very cost effective; in terms of the category of emergency shelter funding, that one year of transitional funding of \$100,000 of CDBG funds would be moved from affordable housing to case management; clarified that the program was being aligned with system focus, ESG rapid rehousing, CDBG affordable housing goals, and Dedicated Housing Funds funding would increase support to increase the homeless housing system.

Council Member Reece supported the goals of the strategy that involved rapid rehousing, diversion, permanent supportive housing but did not understand reducing the city's commitment to emergency shelter services now before the new strategy began to reduce homelessness in the community; asked if there was something about funding emergency shelter services that made the overarching new strategy fail; emphasized that this was a question of funding priorities and stated that he would prefer to cut money in other areas of the city's budget until the new strategy proved fruitful in reducing homelessness in the community rather than cutting emergency shelter services right away.

Director Johnson stated the shelters would not close and that staff was prioritizing funding.

Council Member Middleton stated that it seemed that at some point with diverting people with their rent or mortgage that the city would have to spend some money and that the money would come from somewhere; he shared the excitement about this plan; and indicated that Council could fund shelters, come up with more money and then do the diversion and rapid rehousing program.

Mayor Schewel noted there were two high priorities: support the needs of the shelters in a significant way as the city bridged to the new strategy and the new strategy enjoyed Council's support and asked staff to make summary comments; mentioned the presentation would be made at a Joint City-County Committee; noted the presentation came from an out of town consultant who modelled the future of Durham's homeless system; asked staff to challenge Council at budget time and give Council a staging of the homeless system plan in detail.

Council Member Freeman echoed Council Member Middleton's comments that it was not a Community Development issue but was rather Council's issue; and wanted the presentation on the proposed system and in order to move to the next level of how to have accountability in the process.

Director Johnson concluded that Durham had the financial and human capital resources to attack the challenges posed by homelessness and this could be accomplished by communicating and developing a plan; and the outcome of the Focus Strategies' modelling determined it was possible that by doing the right things a person who was chronically homeless could move through Durham's system to find a place to live.

Mayor Schewel requested staff bring Council the plan along with the challenge to fund it.

The Special Meeting was adjourned at 1:01 p.m.

Diana Schreiber
City Clerk